

Commonwealth of Massachusetts
DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT

Charles D. Baker, Governor ♦ Karyn E. Polito, Lt. Governor ♦ Jennifer D. Maddox, Undersecretary



DIVISION OF PUBLIC HOUSING

**Document Title: 705 Repositioning
Notice of Funding Availability (“NOFA”)**

Document Number: DHCD2023-14
COMMBUYS Bid Number: BD-23-1076-OCDDE-OCD01-79292

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Please note: This is a single document associated with a complete Bid (also referred to as a Solicitation) that can be found on COMMBUYS (www.COMMBUYS.com). All Bidders are responsible for reviewing and adhering to all information, forms, and requirements for the entire Bid, which are all incorporated into the Bid. Bidders may also contact the OSD Help Desk at OSDHelpDesk@mass.gov or the OSD Helpline at 1-888-MA-STATE. The Helpline is staffed from 8:00 AM to 5:00 PM Monday through Friday, Eastern Standard or Daylight Time, as applicable, except on federal, state, and Suffolk County holidays.

THIS NOTICE OF FUNDING AVAILABILITY (“NOFA”) AND ALL RESPONSES HERETO INCLUDING THE WINNING BID SHALL BECOME PUBLIC RECORD AS OF THE DATE THE CONTRACT REFERENCED HEREIN IS AWARDED, AND CAN BE OBTAINED FROM THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT PROCUREMENT UNIT BY SENDING AN EMAIL TO HCD.RAO@state.ma.us. ANY PORTIONS OF A RESPONSE THAT ARE LABELED AS CONFIDENTIAL WILL STILL BE CONSIDERED PUBLIC RECORD.

The terms of [815 CMR 2.00](#), State Grants, Federal Grant Awards, Federal Subgrants and Subsidies are incorporated by reference into this NOFA. Contract and fiscal requirement terms used in this NOFA shall have the meanings defined in [815 CMR 2.00](#).

12/20/22 Updates:

- NOFA updated to specify that c. 667 condo units are also eligible for repositioning under this program. For record continuity, the NOFA has retained its original title of “705 Repositioning”
- No other updates made

I. Program Description

The following is a listing of the minimum anticipated scope of services. DHCD may elect to modify or redefine the scope of services as needed to ensure compliance with federal statutes, regulations, and other policies and requirements. DHCD may also negotiate and execute contract amendments with the awarded Respondent which DHCD reasonably determines are within the scope of this NOFA and necessary to result in best value to the Commonwealth.

The 705 Repositioning Program provides Local Housing Authorities (LHAs) with an opportunity to dispose of scattered-site c. 705 family housing units (and/or c. 667 condo units) and replace them through construction of new, consolidated developments (or, as appropriate, to purchase existing properties to use as consolidated developments). The main goal of the c. 705 Repositioning Program is to achieve scale efficiencies and address deferred capital needs, reducing the ongoing per-unit operating and capital costs associated with these ~~e.705~~ developments; a secondary goal is to improve the overall accessibility and sustainability of the public housing portfolio. This program envisions funding replacement developments of approximately 10-20 new construction, modern units and subject to available funding may support the disposition and replacement of approximately 100 units overall.

The 705 Repositioning Program is funded by a combination of DHCD capital sources and, through a partnership with the DHCD Division of Rental Assistance, federal funds that are covered under DHCD’s Moving to Work (MTW) Agreement with the U.S. Department of Housing and Urban Development (HUD). These sources serve as “gap funding” for replacement alongside disposition proceeds. This NOFA implements Activity 2018-9: Affordable Housing Preservation and Development Fund, a “local non-traditional” activity in the DHCD [Fiscal Year 2023 Moving to Work plan](#) as approved by HUD.

II. Project Eligibility

A. General Requirements

Applicants should note the following criteria for project eligibility:

1. The project must envision disposition and replacement of scattered-site c. 705 units and/or c. 667 condo units. General ~~e.705~~ redevelopment/modernization projects without a disposition and replacement component are **not** eligible.
 - a. While this would be considered an additional project benefit, there is no requirement for the disposed units to remain use-restricted to affordable housing.
2. Every project must include one-for-one replacement of any disposed units as state-aided public housing. If the replacement units have other sources of operating subsidy, they must include state public housing protections to the extent they do not conflict with federal regulations regarding that subsidy. This NOFA **cannot fund the creation of any net-new state-aided public housing units**; however, LHAs may combine awards under this NOFA with other sources of funding to create new affordable housing units alongside the replacement state-aided public housing units.

- a. Note that MTW funds can only be used for affordable units serving households at or below 80% AMI. If there are other units in the project, the pro forma should show MTW assistance only going to units serving households at or below 80% AMI.
3. If intending to construct a new development, the LHA must have vacant land available or have a clearly delineated path toward obtaining such developable land (this could be the site of one of the existing ~~e.705~~ units or other LHA-owned land).
4. Projects with 20 units or more must include some form of community room or space, which may be either indoors or outdoors.
5. At least one unit in the consolidated development (if greater than 5 units) must be fully accessible, and any community space must be fully accessible.
 - a. Creation of more than the minimum required number of fully accessible units would be considered an additional project benefit. LHAs may use this award as an opportunity to increase number of accessible units towards the goal of having 5% of all units fully accessible.
6. For any given housing development, an LHA may submit an application to only **one** of the three MTW-funded NOFAs that have been released simultaneously (this 705 Relocation NOFA, [Federalization Program NOFA](#), and [NCSR Recapitalization NOFA](#)).
7. If the project will entail conversion of the units to a different affordable housing program, LHAs must provide assurance to DHCD that any residents significantly affected by transition to other program rent and eligibility regulations will be accommodated to protect their access to deeply affordable housing in the LHA's community.

LHAs with scattered-site ~~e.705~~ units that are not eligible for this Relocation Program may wish to consider sources such as DHCD's Vacant Unit Initiative, [HILAPP Program](#), or emergency reserve requests to address the units' capital needs.

While DHDC anticipates that most projects will consist of 10-20 units, there is no minimum or maximum number of units that an LHA may propose to reposition. Any size project is potentially eligible, subject to funding availability; however, given funding availability we anticipate this NOFA can fund repositioning of up to 100 ~~e.705~~ units.

Projects must comply with all applicable state and federal laws and regulations (including without limitation [M.G.L. c. 30B](#)), with all requirements specified in DHCD's Moving to Work Program Annual Plan, and with HUD parameters and guidelines on local non-traditional activities as set forth in [PIH Notice 2011-45](#) and/or successor notices or other HUD guidance, including, but not limited to, to the extent applicable, Davis-Bacon wages, federal Fair Housing and Equal Opportunity statutes, environmental review, HUD site and neighborhood standards and regulations, subsidy layering review and regulations, and HUD Section 3 requirements. Projects must also comply with cash management requirements outlined in [2 CFR § 200](#). Projects must meet HUD Housing Quality Standards (HQS) performance requirements (as provided in [24 CFR 982.401](#)), both at commencement of occupancy and throughout the term of the time restriction on affordable units. Recipients of MTW funding must agree to provide information requested by DHCD and/or HUD on the use of funds and compliance with the above requirements, including information required by DHCD to prepare MTW Annual Plans and Reports (see Reporting Requirements section below).

LHAs using MTW funds for the purposes outlined in this NOFA must ensure that the replacement units remain affordable for a specified amount of time. In general, DHCD expects that replacement state-aided

public units will be affordable **in perpetuity**. The time restriction may vary from project to project, given the goals of an LHA, the project economics, market conditions and other factors. The following are minimum guidelines:

- 1) Units must remain affordable for a minimum of 30 years, unless otherwise approved by HUD.
- 2) If there is a loan of MTW funds to the project, the units must remain affordable for the longer of either the term of the loan or 30 years, unless otherwise approved by HUD. For a shorter term to be considered by HUD, the loan of MTW funds to the property would need to be repaid in full by the conclusion of the shortened term.

LHAs must record a use agreement, covenant, or other document acceptable to HUD on the property where the units are located, which sets forth the conditions imposed on the units. If there is an existing agreement or covenant recorded on the property related to the local, non-traditional affordable units, with HUD approval, the LHA may rely on this document rather than record its own.

Please see Attachment A: Certification of Compliance with MTW Program and Other Requirements for applicable federal requirements in addition to state requirements that apply to all public housing capital projects. Please note that, unless the Applicant obtains a legislative exemption, projects will be subject to all requirements of [M.G.L. c. 149](#), including filed sub-bids requirements.

B. Eligible Types of Repositioning

Repositioning may take place in two different ways:

1. LHA may sell its scattered-site ~~e.705~~ units and construct a new development(s) with the same number of state-aided public housing units as at the disposed properties.
2. LHA may sell its scattered-site ~~e.705~~ units and purchase a replacement property(ies) with the same number of units as at the disposed properties.

Please note that in either case, the replacement units must be located within the same municipality as the disposed units. In addition, replacement units must contain a similar bedroom mix and at least the same square footage as the disposed of units; provided, that LHAs may seek a waiver from this latter requirement if they can show that the current bedroom mix does not best serve the needs of those seeking housing in their community. DHCD will not entertain proposals to age-restrict these units and will require evidence from CHAMP waitlists as well as other sources to show that a different bedroom mix would best serve the current applicant population.

DHCD will also entertain applications for types of ~~e.705 R~~repositioning not listed above that meet the goals of this NOFA. DHCD encourages LHAs to reach out to DHCD to discuss potential eligibility of their project if it differs from the model above.

III. Available Funds

A total of approximately \$20 million in funds may be awarded under this NOFA. Awards for submitted projects will not exceed \$350,000 per state-aided public housing replacement unit, with the typical award per replacement unit estimated at \$200,000. 705 Repositioning awards are intended to fill the gap between sale proceeds from the disposed units and purchase/construction price of the replacement units. While a new, consolidated development proposed by an LHA may include additional units beyond those replacing the disposed state-aided public housing units, DHCD public housing or MTW funds will not provide funding for such units.

Projects must be within the HUD Total Development Cost and Housing Cost Cap Limits imposed on the development of affordable units in a project. (See also HUD [PIH Notice 2010-20](#), which establishes public housing development cost limits.) All MTW funds being put into the project must be included in the TDC analysis. Projects must comply with the HUD [Cost Control and Safe Harbor Standards for Rental Mixed-Finance Development](#), dated April 2003.

If submitted projects exceed available funding, DHCD in its discretion may make partial awards to applicants (viz. awarding funds to consolidate only some of the scattered-site units proposed).

DHCD will substitute a non-MTW source to fund any relocation required by this project. This non-MTW funding will count toward the \$350,000 cap on total per-unit funding.

All awards and contracts are subject to appropriation and conditional upon the availability of funds.

IV. Reporting Requirements

DHCD must submit an Annual Plan to HUD each April with goals for each MTW-funded activity for the upcoming fiscal year (July 1 – June 30). In addition, DHCD must submit an Annual Report to HUD each September reporting on actual outcomes achieved during the fiscal year for each MTW-funded activity. (See copies of previous plans and reports here: <https://www.mass.gov/service-details/moving-to-work-program-mtw>)

In preparation for these Annual MTW Plans and Reports, LHAs awarded funding through this NOFA will – in collaboration with DHCD – need to track and report on the following metrics if applicable:

- Amount of funds leveraged in dollars (meaning the amount of non-MTW funds supporting the project);
- Number of new housing units made available for households at or below 80% AMI;
- Number of housing units preserved for households at or below 80% AMI; and
- Unit Months Leased (meaning the number of units occupied each month for the 12 months of the fiscal year) - see Attachment B for sample.

Awarded applicants may be required to attend an orientation session explaining MTW reporting requirements and must comply with all such requirements, whether currently existing or established post-award.

V. Application Process

Submitting an Application

1. Upload all required application documents (itemized below) to a file-sharing site such as Dropbox and grant access to anyone with the link
2. Email the link to dhcddesignsubmission@mass.gov with the subject “705 Repositioning Application (LHA name)”
3. Applications must be submitted by **June 9, 2023**

Bidders Conference

DHCD will hold a bidders conference for this program on Monday, October 24, from 10:30am-12pm (prevailing Eastern time). This conference will be an opportunity for potential bidders to receive an overview presentation about this NOFA and ask any clarifying questions they may have. The conference will be recorded, and the link to the recording will subsequently be attached to this bid.

Preregistration is required. To register for the bidders conference and receive the Zoom link, please go to https://us06web.zoom.us/webinar/register/WN_DKu3amo5T9eT03B0d4Xjlw.

Submitting Questions

In addition to attending the bidders conference, interested parties may submit questions about this NOFA to dhcddesignsubmission@mass.gov any time before the end of day on January 10, 2023. Please include “MTW 705 Question” in subject line. DHCD will publish answers to all submitted questions by February 10, 2023.

Required Application Documents

- 1) Narrative (maximum 5 pages)
 - a) Description of scope
 - b) Description of existing conditions at [scattered-site developments705s](#)
 - c) Feasibility analysis, including zoning issues, wetlands, accessibility, market analysis for any dispositions or purchases planned, funding, and relocation if applicable (applicants are advised to work with MHP on feasibility)
 - d) Address sustainability and resiliency considerations
 - e) Address accessibility (minimum one fully accessible unit if greater than 5 new construction units; additional accessible units are beneficial if feasible)
 - f) Project timeline
 - g) Outline of tenant vs. LHA utility responsibilities before and after project. Plan for addressing any fuel switching (notice to LTOs or residents and executing new leases)
- 2) Appraisals/realtor’s estimate of existing units to be sold
- 3) Detailed cost estimate and project budget: including building, site development, and cost
- 4) Site plan for consolidated development (if applicable)
- 5) Confirmation that LHA will comply with MTW reporting and other requirements (see Attachment A)
- 6) A letter from the head of the tenant organization(s) or representative of tenants that demonstrates evidence of compliance with tenant participation regulations (760 CMR 6.00). If no letter can be obtained, then the LHA executive director may instead submit a letter certifying that tenants were involved in setting the needs and priorities of the application, and providing details regarding LHA communications to and meetings with tenants.
- 7) Record of Board approval to submit application

DHCD reserves the right at any time to accept or reject any or all proposals in whole or in part, to take exception to these NOFA requirements or to waive any informality and to exclude any proposals for further consideration for failure to fully comply with the requirements of this NOFA. DHCD reserves the right to request additional information from Respondents during the review process and to use other available information as may be necessary to complete its review. Each Respondent shall provide any additional requested information to DHCD prior to execution of the contract.

Submission Deadlines and Estimated Award Timetable

NOFA posting date	10/12/22
Bidders conference	10/24/22
Deadline for question submissions	1/10/23
Answers published for all submitted questions	2/10/23
Submission deadline	6/9/23
Notification of awards (estimated)	7/12/23

All times in this NOFA are prevailing Eastern Standard Time. Responses must be received no later than the dates and times indicated above, or they may not be evaluated. The dates and times listed above may change; any changes will be posted on COMMBUYS. If there is a conflict between the dates and times in this calendar and dates and times listed on COMMBUYS, those listed on COMMBUYS shall prevail. Any changes in this calendar that are made after the NOFA has been published will not result in amendments to the NOFA. Such changes will appear only on COMMBUYS.

VI. Review Process

DHCD will score applications according to the following rubric:

Criterion	Points
Capital need (physical conditions)	35
Financial feasibility/cost per unit	35
LHA capacity	15
DHCD discretion for other project benefits (e.g. sustainability, accessibility, preservation of the disposed properties as non-state-aided types of affordable housing)	15

It is anticipated that the selected Respondent/Bidder would be required to begin the contract on or about August 1, 2023. DHCD may elect to establish an alternative contract start date as needed.

It is anticipated that the successful Respondent/Bidder will receive an award letter offering to enter into a Contract for Financial Assistance, renewable at DHCD's sole option, and subject to the availability of funding and satisfactory performance. DHCD reserves the right to extend the duration of the award and/or amend the terms of the award as necessary.

Responses to this NOFA may be reviewed and evaluated by any person(s) at the discretion of DHCD including non-allied and independent consultants retained by DHCD for the sole purpose of evaluating and analyzing responses.

VII. Environmental Review

Projects funded as a result of this NOFA are subject to the environmental review process as described in [24 CFR Part 58](#). **LHAs need not complete environmental review as part of their response to this NOFA.** However, DHCD recommends that applicants consider the environmental review requirements when preparing their proposals to ensure a smooth process upon notification of a funding award. Awarded projects may not proceed to construction until the environmental review process is complete.

Awarded LHAs will comply with the environmental review process as follows:

1. After receipt of award, the LHA or its contracted design consultant will prepare the Statutory Checklist included in Attachment C.
2. If the LHA believes the project is **not** categorically excluded from a full environmental assessment per the criteria at [24 CFR 58.35](#), check the box on page 2 of the Checklist for “This project is not a Categorically Excluded action” and prepare a full environmental assessment. Skip to step 6.
3. If the LHA believes the project **is** categorically excluded from a full environmental assessment, use the Worksheet on pp. 3-26 to fill out the Compliance Finding table on page 1 of the Checklist.
4. Depending on the “Yes” or “No” answer to each question on the Worksheet, the Statutory Checklist provides instructions on what, if any, environmental review steps must be taken for the project. The LHA must complete and document these steps in accordance with the instructions.
5. Upon completion of the Worksheet, the LHA checks either the first or second box on p. 2 of the Checklist depending on whether the Worksheet revealed any Compliance Findings.
6. The LHA or contracted design consultant signs the Checklist as the Preparer and submits it to DHCD for review. Leave the ERR File # blank.
7. DHCD, as the Responsible Entity, will review the LHA’s Statutory Checklist and accompanying documentation or full environmental assessment. DHCD will approve the project to proceed or alert the LHA to environmental impact abatement that must first be undertaken to comply with 24 CFR Part 58.

VIII. Additional Terms

Bidders’ responses/bids made in response to this NOFA must remain in effect for at least 120 days from the date of bid submission.

Respondents must additionally be legally qualified to contract in Massachusetts and must not be currently subject to any state or federal debarment order. By submitting their NOFA Response, the Respondent affirms that they are not subject to any state or federal debarment order.

The successful Respondent will be required to enter into a contract with DHCD including the Commonwealth’s Standard Contract Form, the applicable Commonwealth Terms and Conditions, and any other required state contract forms. Contracts issued under this NOFA shall include federal funding and may be subject to applicable state and federal compliance and review requirements. By submitting their NOFA Response, the Respondent agrees to the terms and requirements of the Commonwealth standard contract forms and to the terms of this NOFA, including its attachments.

All responses and information submitted in response to this NOFA are subject to the Massachusetts Public Records Law. All written correspondence and materials submitted to DHCD during this process, including as part of the response to this NOFA, become the property of DHCD upon their receipt and will not be returned to the submitting parties. Except as provided in the Public Records Law, all materials submitted

to the DHCD are subject to release as public records. In no event shall DHCD, or any of their agents, representatives, consultants, directors, officers, or employees, be liable to an LHA for the disclosure of all or a portion of a response or related information submitted in connection with this NOFA.

This NOFA does not commit DHCD to pay any costs incurred in the preparation of an LHA's response to this NOFA or to enter into a contract for services. DHCD may (i) accept or reject any and all proposals received as a result of this NOFA; (ii) contract for some, all or none of the services offered by LHAs in response to this NOFA; (iii) negotiate with one or more of the qualified LHAs; or (iv) cancel, in part or in its entirety, this NOFA if it is in the best interest of the Commonwealth to do so.

DHCD reserves the right to make amendments to the NOFA after initial publication. Any such amendment will be posted to COMMBUYS. It is each LHA's responsibility to check COMMBUYS for any amendments, addenda or modifications to this NOFA, and any Q&A records related to this NOFA. DHCD accepts no responsibility and will provide no accommodation to LHAs who submit a response based on an out-of-date NOFA or on information received from a source other than COMMBUYS.

Bidders with disabilities or hardships that seek reasonable accommodation, which may include the receipt of NOFA information in an alternative format, must communicate such requests in writing to DHCD. Requests for accommodation will be addressed on a case-by-case basis. An LHA requesting accommodation must submit a written statement which describes the respondent's disability and the requested accommodation.

IX. COMMBUYS Instructions

While all applications seeking funding pursuant to this NOFA should be submitted to dhcdsubmission@mass.gov, this NOFA will be launched and managed via COMMBUYS. Instructions for log-in and use of COMMBUYS are described in <http://www.mass.gov/anf/docs/osd/forms/instructions-for-vendors-responding-to-bids.docx>. LHAs may also contact the COMMBUYS Helpdesk at COMMBUYS@mass.gov or the COMMBUYS Helpline at 1-888-MA-STATE.

LHAs are required to monitor COMMBUYS for changes to the procurement calendar for this NOFA. It is the responsibility of the prospective LHA to maintain an active registration in COMMBUYS and to keep current the email address of the LHA's contact person and prospective contract manager.

DHCD and the Commonwealth assume no responsibility if a prospective LHA's designated email address is not current, or if technical problems, including those with the prospective LHA's computer, network or internet service provider cause email communications sent to/from the LHA and DHCD to be lost or rejected by any means including email or spam filtering.